



AGENDA
PUBLIC WORKS BOARD MEETING

June 8 – 8:30 a.m.

Wyndham Garden Hotel

Name Change Effective June 30, 2004: Prime Hotel Seattle Airport)

18118 Pacific Highway South

SeaTac, Washington

Board Administration

Tab
1

Call to Order
Approve the Agenda (*Board Action*)
Review of Board Packet and Materials Distributed to the Board
Introduce Guests and Visitors
Approve the May 18, 2004 Meeting Notes (*Board Action*)
Review the Assignment Tracking Report
Report from the Chair, the Executive Committee and Board Members

Administration

2

Present Information on Capital Facilities Template – Growth Management Unit -CTED
Discuss Administrative Costs with CTED
Review Update on Archeological Predictive Model
Review the Contract Close-Out Policy (*Potential Board Action*)

Consent Agenda (*Board Action*)

3

Castle Rock Kenmore Williams Lake Sewer District

Financing Opportunities

4

PWTF Emergency Loan Program
East Gig Harbor Water District
PWTF Planning Loan Program
Cheney
PWTF Pre-Construction Loan Program
Concrete East Gig Harbor Water District Freeland Water District Ilwaco
Mount Vernon Ridgefield Vader

Public Works Trust Fund Programs (PWTF)

5

Update on the Retreat (*Potential Board Action*)
Update on the 2005 Loan Applications

Drinking Water State Revolving Fund Program (DWSRF)

6

Update on Loan Applications

Water System Acquisition and Rehabilitation Program (WSARP)

7

Discuss Participation on the WSARP Marketing Team

Information and Other Items

8

Note: Anticipated Adjournment time is 11:00 noon.

NEXT MEETING: August 3, 2004 – SeaTac, Washington

This publication is available in alternative format upon request. Meetings sponsored by the Public Works Board shall be accessible to persons with disabilities. Accommodations may be arranged with 10 days notice to the Public Works Board at (360) 586-4130.

Tab 1 Board Administration

PUBLIC WORKS BOARD MEETING NOTES
May 18, 2004
Yakima, Washington

Board Members Present

Glenn Olson, Chair
Cus Arteaga
Bob Bandarra
Pat Buckley
Pete Capell
Lynne Danielson
Rebecca Francik
Bill Harrison
Bill Huibregtse
Katy Isaksen
Eric Johnson
Darlene McHenry
Jesse Palacios

Board Members Absent

Staff Members Present

John LaRocque
Jacquie Andresen
Cathy Brockman
Susan Butz
Rhonda D. Campbell
Bill Cole
Terry Dale
Cecilia Gardener
Leslie Hafford
Isaac Huang
Bruce Lund
Genny Matteson
Enid Melendez
Rodney Orr
Mike Woods

Guests Present: John Kounts – PUD Association; Chris Gagnon – Department of Health; Rich Sarver – Department of Health; Tom Morrill – Attorney Generals Office; Jeanne Cushman - Attorney Generals Office; Sandi Boughton – USDA/RD; Steven Troendle – USDA/RD; Robin Campbell – Office of Financial Management; Nancy Parker – City of Dayton; Bill Graham – City of Dayton.

Glenn Olson, Chair, called the meeting to order at 8:30 a.m.

Board Actions:

- Approved the meeting agenda. (Harrison/Buckley)
- Approved the notes from the March 2, 2004 meeting. (Bandarra/Danielson)
- Tabled the discussion on amending the Board's 03-05 biennial budget.
- Approved the draft 05-07 biennial budget. (Bandarra/Huibregtse)
- Approved a revised side-sewer policy. (Johnson/Harrison)
- Approved modifications to contracts with the City of Dayton. (Harrison/McHenry)
- Approved the Consent Agenda. (Palacios/Danielson)
- Approved planning loans for Coulee Dam, Ocean Shores and Tekoa. (Bandarra/Buckley)

- Approved pre-construction loans for Bainbridge Island, Mansfield, West Richland, NE Sammamish SWD and Highland WD. (Harrison/McHenry – Isaksen recused)
- Approved a Modification to the Water System Acquisition and Rehabilitation Program grant list (Buckley/Bandarra)

Assignment	Responsible	Due Date
Complete the write up from the retreat.	Staff	June 8, 2004
Invite CTED to discuss administrative costs.	John	June 8, 2004
Brief update on the archeological predictive model.	John	June 8, 2004

Board Discussions:

- ☛ Glenn Olson opened the meeting at 8:30 and noted the Board would adjourn in the late morning and start its retreat at 1:00 p.m. He reminded the Board that no business would be conducted at the retreat, but did acknowledge commentary from staff on assignments would be permitted. Any business items resulting from the retreat will be dealt with at the June meeting.
 - ☛ The Board approved the agenda.
 - ☛ John LaRocque reviewed the packet of materials. John pointed out additional material relating to the assessment process was mailed. Historical information concerning administrative costs was distributed. A revised list of projects seeking WSARP funding was also distributed.
 - ☛ The Chair asked guests to introduce themselves--the Board welcomed guests.
 - ☛ The Board reviewed and approved the April 6, 2004 Meeting Notes.
 - ☛ John LaRocque introduced Cathy Brockmann, the newest staff member and noted that Rhonda D. Campbell was permanently appointed. John briefly reviewed the assignment tracking system report.
 - ☛ Glenn Olson asked Bill Harrison to describe the meeting the executive committee had had with Juli Wilkerson, CTED Director. Bill described the meeting and pointed out that the focus was the assessment material prepared by staff. Juli was concerned about staff's proposal to be re-established as a division within CTED. She felt the unit was properly located within the Local Government Division but would consider alternatives if the Board supported the proposal. Bob Bandarra expressed some concern about CTED reviewing documents before the Board got to see them. Bill explained that, the Executive Committee and CTED received them concurrently and that the discussion had been at the macro-level. Bill and the other executive committee members noted Juli requested a blue shirt with the Board's emblem on it.
- Glenn noted that he was continuing to meet with Sue Mauermann, Deputy Director, and Nancy Ousley, Assistant Director on a regular basis and invited the members to join them.
- ☛ John LaRocque informed the Board about an emerging opportunity for the Board to inform the World Bank about its work in Washington and discuss how this model might be adapted for use in other parts of the world. The Board noted its enthusiasm for this effort.

- ☛ Discussion on the Board's 03-05 budget was tabled until the next meeting--CTED will be present.
- ☛ The proposed 05-07 biennial budget was discussed and concern was raised over administrative costs charged by CTED. The Board directed staff to get comparative pricing information from the Small Agency Client Services program at the Office of Financial Management.
- ☛ The Board's draft strategic plan was reviewed. The Board is interested in learning more about the Priorities of Government (POG) process and how the PWTF is viewed. Robin Campbell, OFM, assured the Board that, the POG review recognized the value of the PWTF she and invited the Board to track the POG's progress and participate in upcoming open meetings.
- ☛ The Board reviewed the revised side-sewer financing policy. Mike Wood's spoke briefly about the need for the modifications and that the modifications had been thoroughly reviewed by the AGO. The Board approved the new policy.
- ☛ The Board considered a staff recommendation to amend its contracts with the city of Dayton by taking a second position to other financing. The Board discussed the matter with the Dayton's Mayor and City Administrator. The Board recognized efforts made by city leaders to correct administrative problems and approved the amendments. The Board thanked the Mayor for doing an outstanding job and being a credit to local governments throughout the state.
- ☛ The consent agenda relating to extensions for three jurisdictions was approved.
- ☛ Cecilia Gardener noted there were no emergency loans and identified three planning loan requests. The Board approved all three requests.
- ☛ Cecilia Gardener informed the Board of six requests for pre-construction loans. The request from Colville could not be approved because the city is out of conformance and the application failed to score above the threshold. The Board approved the remaining five projects.
- ☛ Cecilia Gardener walked the Board through the list of 88 applications for construction financing and stated the list would probably change as staff completes threshold reviews. The Board will be kept apprised of changes throughout the process.
- ☛ John LaRocque gave a brief overview of DWSRF applications. DOH reported receiving 61 applications for nearly \$50 million. Of the 61 applications, at least 20 appear on both the DWSRF and the PWTF lists. John reminded the Board that, in the past when a project was approved on both lists, the applicant was allowed to choose which fund source to use.
- ☛ Leslie Hafford presented a modified list of grant recipients for the Water System Acquisition and Rehabilitation Program. She noted several previously approved projects were now scaling back on size and cost of the project(s). This makes it possible for the Board to increase funding for the Whatcom County PUD #1 project, which initially had received only partial funding.
- ☛ Staff reviewed the results of the annual Board survey.
- ☛ The chair noted lunch would be available for all participants and the retreat would begin promptly at 1:00 p.m.
- ☛ With no further business, the meeting was adjourned at 11:45 p.m.

Tab 2

Administration



GMA & Capital Facilities

Growth Management Services
Capital facilities planning template project

Description

The Local Government Infrastructure Study, authorized by the Washington State Legislature, suggested that capital facilities programs (CFPs) use a standardized template to include projects, costs, funding information, and project phasing. The Washington State Department of Community, Trade and Economic Development (CTED) responded to this recommendation by identifying a template that could be used by counties, cities, and special purpose districts.



Background

CTED researched a variety of CFP tools currently in use in Washington and decided that one used in the City of Olympia was the best available CFP tool to meet this legislative objective. The city developed a CFP tool to help make the planning process more comprehensive, user friendly, and cost effective. It was developed as a series of computer macros and templates on Excel software. It can be customized to fit the needs of different sizes and types of jurisdictions.

A pilot project was offered by CTED to demonstrate the new capital facility planning software tool. It was carried out at the following sites: Port of Vancouver, USA and the cities of Walla Walla, Cashmere, and McCleary. Each site received free CFP software and a start up orientation process. The sites received ongoing technical assistance throughout the start up phase. CTED helped the pilot jurisdictions integrate the new CFP tool into their administrative process.

The City of Olympia found they could use the template's CFP project decision matrix to better prioritize, rate, and rank their public work projects, reflecting their own local circumstances and needs.

The pilot project participants also found benefits to template use. The Port of Vancouver, USA, found they could develop longer-range capital project finance plans for multiyear capital improvements. The City of Cashmere praised the capital facility planning template because "it can provide more accurate project cost estimates for the city's proposed capital investments". The City of Walla Walla predicts "greater interdepartmental coordination between city departments now that the CFP template process has been put into effect in the city." The City of McCleary anticipates many useful purposes, including better graphics to present to elected officials and an overall more understandable process.



For More Information

Leonard Bauer, Managing Director
Growth Management Services
360.725.3000

www.cted.wa.gov/growth

What's Next

Evaluation of the program was conducted at the end of 2003. Modifications to the software also were made. CTED is looking for partners, government and non-profit, to help further development and distribution of the CFP Template. Once partners are secured, CTED plans to make it available to all Washington jurisdictions.

June 8, 2004

TO: Public Works Board

FROM: Mike Woods

SUBJECT: Request for Administrative Review
Final Close-Out Policies for PWTF Loans

Annapolis Water District is requesting the Public Works Board review a staff decision to deny the District's re-submittal of a loan Close-out report.

Background

On August 29, 2003 Annapolis Water District submitted a Close-out Report for a water supply and storage improvements project (PW-00-691-002). The District also refunded \$8,725.11 to the PWTF based on the reported actual total project costs. The interest rate was reduced from 3% to 2% based on increased local match. This Close-out was processed with the Fiscal Office of the Department of Community Trade and Economic Development and all expenditures were coded, with a \$74,430 De-Obligation to the PWTF Construction Program.

On January 2, 2004 the District re-submitted a Close-out Report for the same project with revised project costs. The District wanted to reclaim the refunded \$8,725.11 and requested to draw part of the \$74,430 loan balance that was de-obligated in August. With the revised project costs and local match, the District requested the interest rate be reduced from 2% to 1%.

On January 12, 2004 Annapolis Water District submitted a follow-up letter requesting that we rescind the Final Close-out Report dated August 29, 2003 due to reporting errors in actual project costs, and instead be allowed to submit the January 2, 2004 Final Close-out Report as the final documentation for this project.

On February 18, 2004 Board staff denied this request based on Board's policy and the language in the loan agreement.

On March 1, 2004, Annapolis asked for an administrative review of the staff's determination. The District is now asking for a reduction of the interest rate from 2% to 1%, but is not requesting further PWTF funds.

Current Board Policy

On Feb 11, 1987 the Board adopted a policy to allow for changes in the local match and interest rate at the completion of the project and "to use the Close-out Report as a final amendment to loan agreement." The Close-out Report includes the phrase "for determining the final loan amount, interest rate, and local share."

Staff Recommendation

Staff recommends the Board maintain it's current policy, and not allow re-submittal of Close-out reports.

Impacts:

When reviewing Close-out reports, staff works with borrowers to correct any errors in the reports. Staff will also contact a borrower if the possibility of lowering the interest rate exists (if the reported local match is close to the next match/rate threshold).

Staff has denied previous requests to re-submit Close-out Reports.

The current policy provides consistency to all program loan agreements. The determination for final project costs, loan amount, local match, and interest rate are all linked in calculations in the Close-out report. All elements are interrelated and should not be extracted from the Close-out report and determined separately.

The policy provides certainty to the Cash Flow Management system the Board currently uses. Once a project is completed and Close Out report processed, all refunds and de-obligated money are accounted for and reported to the Board. The final interest rate and unused funds are included in the Cash Flow Management system to project funding for subsequent loan cycles.



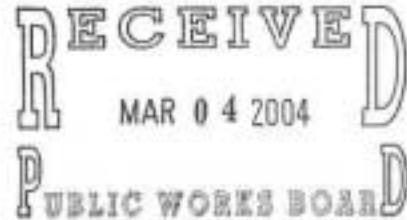
Annapolis Water District

MEMBER:

American Waterworks Association
WA State Association of Water Districts

March 1, 2004

Isaac Huang
Washington State Public Works Board
Post Office Box 48319
Olympia, WA 98504-8319



RE: Complete Final Close Out Report for PW-00-691-002

Dear Mr. Huang:

On January 12, 2004 the District requested that an amended Final Close Out Report on the subject loan as submitted on January 2, 2004 be accepted. The January 2nd report would amend the Final Report submitted August 29, 2003.

Your letter of February 18 stated that the current policy of the Board does not allow the final report to be amended.

We are hereby requesting an administrative review of this policy at the next regularly scheduled Board meeting. We are specifically requesting that the Board allow the District to receive the lower interest rate on the loan which the January 2, 2004 report substantiates. We fully understand that additional funds which we may have qualified for under the amended final report are not available. We would, however, ask that the Board allow the lower interest rate.

Sincerely,

Dennis A. Coburn
General Manager

project summary status report was also presented, explaining the status of 1986 loans. In response to the Board's request, John provided a statistical report regarding the number of first- and second-cycle loan projects that were identified on the original public works inventory. John reported that a total of 68% of the projects funded in 1986 were identified in the inventory, and 53% in 1987.

Discussion followed concerning the issue of readiness to proceed. Allan Osberg was concerned why so many loan recipients are delaying construction when they said they were ready to proceed last year. Sally Hunter commented that financing for some projects sometimes involves more than one agency, and it is difficult for a jurisdiction to accurately project when their application for funding will be approved. Pete Butkus mentioned that loan recipients in the second cycle will be notified that they must sign the contract within ninety (90) days of our initiation of the loan agreement.

Don LaBelle asked the staff to investigate the possibility of networking the Legislative Transportation Committee (LTC) study with the PWTF inventory process. Don explained that the LTC is currently involved in a statewide city/county inventory sampling facility needs for roads and bridges.

Pete Butkus asked for Board direction concerning interest rate and local share of 1987 loan recipients. Pete explained that a number of projects funded in 1986 have changed their local share either before or at the time of project close-out, and we are expecting the same type of occurrence in 1987 loans. Pete asked at what point would the Board hold the loan recipients to the interest rate charged on their loan. Sally noted that currently we have no means to discourage loan recipients who claim a 50% local share in the application from reducing it to 30% and still receive a 1% interest loan.

Discussion followed, centering on the effects that various changes in local share would have on loan interest rates, and how the PWTF program should react to these changes. The Board also talked about the changing of the scope of work, high or low construction bids, the commitment on the part of loan recipients, and the adjustment or modification of the contract at the close-out.

Motion: Sydell Polin moved that the Board provide the adjustment of interest rates up or down if the local share changes as long as it meets the minimum requirements. The motion was seconded and held for discussion.

The Board then discussed the various methods of adjusting interest rates in the loan agreement. Sally recommended that the Board use the close-out report as a form of contract amendment and if we intend to adjust the rate, either up or down, we need to make it clear before-hand to local jurisdictions. The Board reached a consensus that the intent of Sydell's motion is to allow the flexibility to meet the needs of local government and to use the close-out report as a final amendment to the loan agreement.

Motion carried.

Tab 3

Consent Agenda

**Drinking Water State Revolving Fund
EXTENSION REQUEST SUMMARY
City of Castle Rock
99-65199-012**

ORIGINAL CONTRACT EXECUTION DATE:	May 22, 2000
ORIGINAL CONTRACT END DATE:	May 22, 2003
PROPOSED EXTENSION REQUEST:	December 31, 2004
TOTAL PROJECT COST:	\$631,942.00
ORIGINAL DWSRF LOAN AMOUNT	\$372,692.00
DWSRF AMENDED LOAN AMOUNT:	\$631,942.00
DRAWN TO DATE:	\$571,565.85

STAFF RECOMMENDATION: *Staff recommends a time of completion extension to **December 31, 2004**.*

Project Summary:

This project will eliminate the discharge of filtered backwash water into the Cowlitz River to comply with Dept. of Ecology NPDES limits. Backwash water will be pumped off-site where it will be infiltrated into the ground using infiltration ponds constructed in dredge spoil materials. Additional reductions will be accomplished through modifying treatment processes within the plant. The project is separated into two phases. Phase 1 is the construction of infiltration ponds, and Phase 2 is treatment process modifications.

Current Status/Solution:

Construction on the backwash system was completed late in 2002. Upon start-up of the system, the backwash water was not absorbed in the infiltration pond as quickly as had been anticipated. To mitigate this, the City is in the process of constructing an overflow swale to discharge excess treated backwash water from an infiltration pond to the Cowlitz River. The City has acquired all necessary shoreline and hydraulic permits to complete the work. The City is currently waiting for the US Army Corps of Engineers (ACOE) to complete review of a Biological Evaluation that will allow the ACOE to issue a Rivers and Harbors Act Section 10 Permit. This permit is expected to be issued during the summer of 2004, which will allow construction to be completed by December 2004.

Project Milestones:

Dates	Notes
May, 200	Contract is executed.
September 30, 2001	Easements obtained.
March 2002	Construction/Design bids come in higher than expected and over bid.
June 2002	Contract is amended to increase the loan amount by \$259,250. Backwash system construction begins.
December, 2002	Construction on backwash system completed; tests indicate water not infiltrating as planned.
January, 2003–May 2004	Design and permitting for an overflow swale to to discharge excess treated backwash water from infiltration pond.
July 2004	Final permit, ACOE Rivers and Harbors Act Section 10 Permit to be issued.

December 2004	Construction to be completed.
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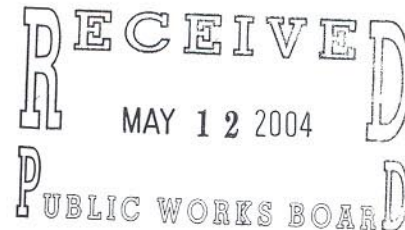
City of Castle Rock

PUBLIC WORKS DEPARTMENT
P.O. BOX 370
CASTLE ROCK, WA 98611
(360) 274-7478



May 6, 2004

Mr. Terry Dale
Public Works Board
P.O. Box 48319
Olympia, Washington 98504-8319



SUBJECT: WATER TREATMENT PLANT BACKWASH DISPOSAL SYSTEM
CONTRACT NO. 99-65199-012

Dear Mr. Dale:

As previously indicated in a letter dated January 2003, the City of Castle Rock is continuing to work on a solution for final disposal of backwash water generated by our water treatment plant. In order to ensure proper disposal of all of the backwash water, the City is in the process of constructing an overflow swale to discharge excess treated backwash water from an infiltration pond to the Cowlitz River. Throughout 2003 and the first several months of 2004, the City continued with the design and permit process. The City has obtained the necessary shoreline and hydraulic permits to complete the work. The City is currently waiting for the U.S. Army Corps of Engineers (ACOE) to complete review of a Biological Evaluation that will allow the ACOE to issue a Rivers and Harbors Act Section 10 Permit. This permit is expected to be issued this summer with construction to be completed by the end of 2004. Therefore, the City is formally requesting an extension of this loan contract with the Public Works Board through December 2004 to facilitate completion of this project.

We appreciate the assistance that the Public Works Board has provided to the City on this project. If you need any additional information, please contact me at 360-274-7478.

Sincerely,

A handwritten signature in cursive script that reads "David Vorse".

David Vorse
Public Works Director

PUBLIC WORKS TRUST FUND LOAN EXTENSION REQUEST SUMMARY

City of Kenmore

SR – 522 Corridor Improvements

Public Works Trust Fund Loan No. PW-02-691- Pre-103

Original Contract Execution Date:	March 28, 2002
Original Contract Ending Date:	September 9, 2003
First Extension End Date:	June 30, 2004
Proposed Extension Date: (24 months)	June 30, 2006
Total Estimated Project Cost:	\$4,586,428.00
Other Funding Source:	\$3,389,610.00
PWTF Loan Amounts:	\$1,000,000.00
Drawn To Date:	\$ 750,000.00

STAFF RECOMMENDATION: Staff recommends approval of **24 months** extension request to a new ending date of June 30, 2006

CURRENT STATUS AND PROJECT HISTORY

The problems associated with SR 522 have been well documented as part of the SR 522 Multi-Modal project, the City of Kenmore Comprehensive Plan and the Kenmore Central Business District Traffic and Access Study. Various locations along the corridor carry over 50,000 vehicles per day, a volume that is anticipated to increase to 90,000 vehicles per day by the year 2020. SR 522 is of regional significance and it is a critical link on the county road system. With congestion, high levels of traffic accident incident, and reduced mobility, this project is one of the key reasons behind the drive for incorporation in Kenmore and continues to be one of the highest priority issues for the City Council.

The City has made significant progress in designing the project and is at the 60% milestone. The preliminary right of way plans and a true cost estimate for easements have been completed. The Environmental Assessment (EA) is currently being reviewed by the Washington State Department of transportation (WSDOT) and should be forwarded to FHWA for final approval by July 2004.

The project schedule has been significantly delayed by the EA preparation and review process. The EA has been submitted to WSDOT for review several times since 2003 and the city continues to receive new conditions and comments on each review that require additional efforts and time.

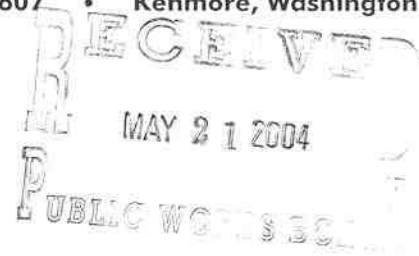
The EA is expected to be approved by early 2005 if no additional changes are required by WSDOT and FHWA. The right of way acquisition process will follow the EA approval and be completed by early 2006. The city's goal is to begin construction by summer of 2006.

Therefore, the City of Kenmore is requesting a new ending date of June 30, 2006.



The City Of Kenmore

P.O. Box 82607 • Kenmore, Washington 98028-0607



May 18, 2004

Public Works Board
P.O. Box 48319
Olympia, WA 98504-8319
Attn: Isaac Huang

Borrower: City of Kenmore
Loan Number: PW-02-691-PRE-103
Project Name: SR-522 Corridor Improvements

Dear Mr. Huang,

This letter is to inform you that the City will not start construction on the referenced project in 2004. The City of Kenmore has made significant progress in designing the project and is now at the 60% milestone. Preliminary right of way plans and a true cost estimate for permanent and temporary easements have been completed. The Environmental Assessment (EA) is currently being reviewed by the Washington State Department of Transportation (WSDOT) and it should be forwarded to FHWA for final approval by July of this year.

The EA preparation and review process has significantly impacted the project schedule. The EA has been submitted to WSDOT for review several times since spring of 2003 and the City continues to receive new conditions and comments on each review that require additional effort and time. The most recent review required that further work be done on the Economic Justice and Noise Analysis sections. FHWA criteria for Economic Justice changed after the initial EA technical report submittal and review, thus requiring additional research and report preparation. Further noise analysis was requested because the project corridor was listed on Washington State Department of Transportation's Noise Abatement list. The inclusion of an access control center median added to the length of the design and review of channelization plans.

The EA should be approved by early 2005 if no additional changes are required by WSDOT and FHWA and the channelization plans should be approved by fall 2004. Procedures for undergrounding the utilities with the private utility companies have been established and the decision to include undergrounding should be made within the next few months. The right of way acquisition process will follow the EA approval in early 2005 and be completed by early 2006. The City's goal is to begin construction by summer 2006 and is therefore requesting the close-out date be extended to June 30, 2006.

If you have questions please contact me at 425-398-8900 or renglish@ci.kenmore.wa.us Thank you for your consideration in this request.

Sincerely,

Robert S. English, PE
City Engineer

6700 NE 181st Street

Office: 425-398-8900

FAX: 425-481-3236

Email: cityhall@ci.kenmore.wa.us

website: www.cityofkenmore.com

**Public Works Trust Fund
LOAN EXTENSION REQUEST SUMMARY
WILLIAMS LAKE SEWER DISTRICT
PUBLIC WORKS TRUST FUND LOAN NO. PW-00-691-PRE-117**

Contract Execution Date:	August 13, 2001
Original Contract End Date:	February 13, 2003
First Extension Request Approved (19 months):	September 13, 2004
Proposed Extension Request needs PWB approval (6 months):	March 13, 2005
Total Project Cost:	\$369,000.00
PWTF Loan Amount:	\$313,200.00
Drawn To Date:	\$234,900.00

STAFF RECOMMENDATION: *Staff recommends an additional six-month time of completion extension to March 13, 2005*

SOLUTION:

The district experienced delay in completing a Right-of-Way purchase for wastewater holding ponds. This step was needed before the plans could be finished. The district has completed the necessary steps and purchase of land to prepare the project for construction. The district now needs additional time for final plan review and approvals by the Department of Ecology and U.S. D.A. – Rural Development.

CURRENT STATUS:

Scope of Work Activity	Status	% Complete
Environmental studies	Completed, approved by Rural Development	Completed
Document preparation, including, funding apps, engineering reports, agreement w/private resort, land acquisition, public awareness.	Final approvals in process	98%
Surveying, design, engineering	Project design to DoE for approval	98%
Review/approval process for Construction Plans and designs: <ul style="list-style-type: none">County agencies have approved documents.Department Ecology currently reviewing documents, expect approvals in June.Rural Development review and approval is to be initiated after DoE is done. Expect RD approval by July.	In final stages.	Plans Completed and currently in final review by appropriate agencies.
Project to be bid.	Summer 04	Estimate completion by March 2005.

Gardener, Cecilia (PWB)

From: Dale, Terry (PWB)
Sent: Thursday, May 27, 2004 1:45 PM
To: Lund, Bruce (PWB)
Subject: FW: AGREEMENT No.P.W.-00-691-PRE-117 WILLIAMS LAKE PRE-CONSTRUCTION

-----Original Message-----

From: ramer_eng [mailto:ramer_eng@prodigy.net]
Sent: Thursday, May 27, 2004 1:44 PM
To: Dale, Terry (PWB)
Cc: Ramer & Associates (E-mail)
Subject: Fw: AGREEMENT No.P.W.-00-691-PRE-117 WILLIAMS LAKE PRE-CONSTRUCTION

***Ramer & Associates, LLC
14 W Graves Road
Spokane, WA 99218-2306
Phone: (509) 467-5261***

Project No. 94253
May 27, 2004

Washington State Public Works Board
P O Box 48319
Olympia, WA 98504-8319

Attn: Terry Dale, Client Service Representative

Re: Pre-Construction Loan Agreement Number P.W.-00-691-PRE-117
Williams Lake Sewer District No. 2

We are requesting a six month extension on the subject loan agreement to expire 03/13/05.

It has taken longer than anticipated to secure the permits and obtain control of the property for the pond. We have all the easements for the transport line and disposal lagoons now in hand, and are under the final review process with the Department of Ecology.

Also, we have all the necessary permits and approval of the comprehensive plan from Spokane County. This should be completed by 07/01/04.

If you need additional information, please contact me directly at our office.

Very truly yours,

RAMER & ASSOCIATES, LLC

6/2/2004

Peter M. Kruse, District Engineer

cc: Brannon
Harris
Schwartz

Peter M. Kruse, P.E.
District Engineer

Ramer and Associates, LLC
POBox 18779
Spokane, WA, 99228-0779

14 W. Graves Road
Spokane, WA 99218-2306

(509) 467-5261

fax5094675262

RAMER_ENG@PRODIGY.NET

PMK:resp

Tab 4

Financing Opportunities

**PUBLIC WORKS TRUST FUND EMERGENCY LOAN PROGRAM
APPLICATION FOR FUNDING
Evaluation - Synopsis**

Jurisdiction: East Gig Harbor Water District

County: Pierce

Contact Person: Bob Sturdivant, District President and Commissioner
P O Box 1427
8606 Goodman Drive NW
Gig Harbor, WA 98332
(253) 858-0184

Amount Requested: \$330,000

Purpose: Make emergency improvements in newly acquired water system.

Threshold Requirements:

- 1) Capital Facility Plan adopted April 30 2004
- 2) Site visit conducted on April 9, 2004
- 3) Declaration of Emergency on April 30, 2004 - Resolution No. 23-2004

Staff Recommendation: *Staff recommends approval of a \$330,000 PWTF Emergency Loan with a four-percent (4%) interest rate and a 20-year term.*

Problem and History:

The East Gig Harbor Water District (a newly formed District, 2002) has recently been authorized, via court order, to acquire a water system from Harbor Springs Water Company, Inc. The District has several emergency improvements to make immediately to ensure it's customers have water this summer. The last two summers as many as 39 customers have gone without water to their homes for several days and as much as 36 hours at a time. Service disruptions are a frequent occurrence during the summer months. This constitutes not only a nuisance and serious frustration, but a genuine health risk and safety concern because potable water is not available for consumption, cleaning or fire suppression.

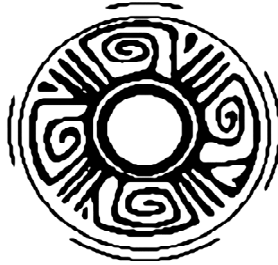
The District experienced another service disruption just three weeks ago (April 30th) that affected 39 customers. The District operator had to post signs to alert these customers that they have no water. Signs were also posted to the community at large to reduce their water consumption for a day.

The primary problems related to these outages are the declining production of the District's only well and the unidentified leaks in the system. The Pierce County Health District has imposed a building moratorium in the District until this problem is resolved. The District has not been able to address these issues or make corrections because the District has not owned the water system. Harbor Springs Water Company has not constructed or installed any of the facilities and upgrades required by the Department of Health in the capital facilities plan. As part of the financial planning, the District is also applying for a PWTF Pre-Construction loan for the purchasing of the water system.

Solution/Project Preview:

With a PWTF emergency loan, the District will replace key sections of the pipeline, rehabilitate the existing well which has been reduced in capacity to 70%, drill a new well that will meet the needs of the District from this time forth, and install residential water meters which will provide a means to monitor and locate water leakage in the system – currently amounting to about 50% of water produced.

Washington State
Public Works Board



Public Works Trust Fund
Loan Requests
June 8, 2004

Loan Requests

Pass Threshold	Planning Loans				
Yes	Cheney	Spokane	City	Sewer	\$16,000

Pass Threshold	Emergency Loans				
Yes	East Gig Harbor Water District	Pierce	W/S Dist	Water	\$ 330,000

Total	Effort	Need	Pre-Construction Loans				
96	57	39	Ridgefield	Clark	City	Sewer	\$ 198,000
93	58	35	East Gig Harbor WD	Pierce	W/S Dist	Water	\$ 450,500
88	51	37	Mount Vernon	Skagit	City	Sewer	\$ 1,000,000
85	55	30	Ilwaco	Pacific	City	Sewer	\$ 92,790
80	47	33	Concrete	Skagit	City	Sewer	\$ 200,000
69	47	22	Freeland WD	Island	W/S Dist	Water	\$ 39,647
64	34	30	Vader	Lewis	City	Sewer	\$ 81,000

Staff Recommendations

Staff Recommends the Board approve the following

Planning Loans:

Cheney \$ 72,300

Emergency Loans:

East Gig Harbor Water District \$ 330,000

Pre-Construction Loans

(minimum score of 75, and w/minimum of 40 points in effort)

Ridgefield \$ 198,000

East Gig Harbor WD \$ 450,500

Mount Vernon \$ 1,000,000

Ilwaco \$ 92,790

Concrete \$ 200,000

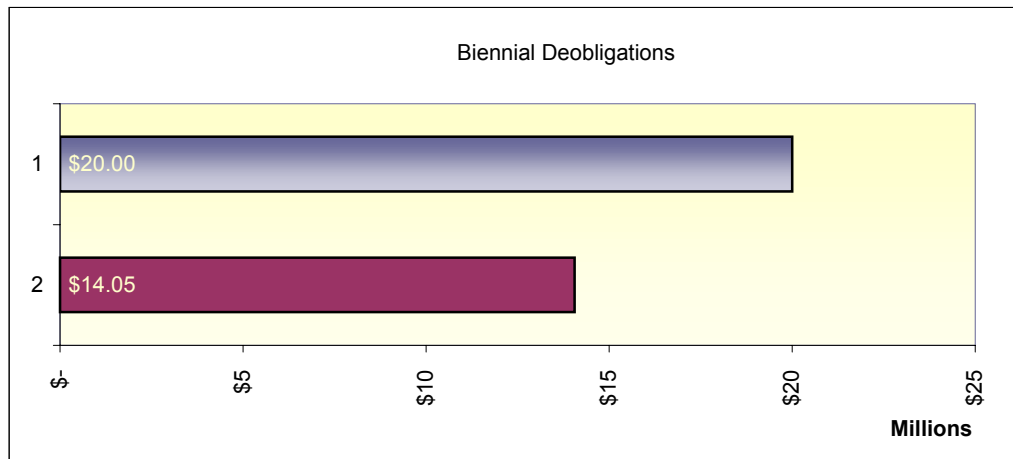
Total Recommended \$ 1,941,290

2003 - 2005 Biennial Summary

Legislatively Authorized and Board Approved Allocation By Program

Board Meeting	Construction \$239,800,473		Pre-Construction \$35,200,000		Emergency \$3,000,000		Planning \$1,000,000	
	# of Projects	Loans Approved	# of Projects	Loans Approved	# of Projects	Loans Approved	# of Projects	Loans Approved
8/5/03			3	\$ 1,961,000	1	\$ 150,000	3	\$ 162,000
Running Total Approved		\$0	3	\$ 1,961,000	1	\$ 150,000	3	\$ 162,000
Balance Available		\$239,800,473		\$ 33,239,000		\$ 2,850,000		\$ 838,000
10/7/03			8	\$ 3,805,141	0	\$ -	0	\$ -
Running Total Approved		\$0	11	\$ 5,766,141	1	\$ 150,000	3	\$ 162,000
Balance Available		\$239,800,473		\$ 29,433,859		\$ 2,850,000		\$ 838,000
11/4/2003		\$0	1	\$ 65,000	1	\$ 427,000	1	\$ 100,000
Running Total Approved		\$0	12	\$ 5,831,141	2	\$ 577,000	4	\$ 262,000
Balance Available		\$239,800,473		\$ 29,368,859		\$ 2,423,000		\$ 738,000
2/3/2004		\$0	10	\$ 4,591,131	0	\$ -	8	\$ 624,066
Running Total Approved		\$0	22	\$ 10,422,272	2	\$ 577,000	12	\$ 886,066
Balance Available		\$239,800,473		\$ 24,777,728		\$ 2,423,000		\$ 113,934
3/2/2004		\$0	1	\$ 387,000		\$ -		\$ -
Running Total Approved		\$0	23	\$ 10,809,272	2	\$ 577,000	12	\$ 886,066
Balance Available		\$239,800,473		\$ 24,390,728		\$ 2,423,000		\$ 113,934
Adjustment**						\$ (1,000,000)		\$ 1,000,000
4/6/2004		\$0	4	\$ 642,890	0	\$ -	1	\$ 30,000
Running Total Approved		\$0	27	\$ 11,452,162	2	\$ 1,423,000	13	\$ 916,066
Balance Available		\$239,800,473		\$ 23,747,838		\$ 1,423,000		\$ 1,083,934
5/18/2004			5	\$ 1,923,483	0	\$ -	3	\$ 16,000
Running Total Approved		\$0	32	\$ 13,375,645	2	\$ 577,000	16	\$ 932,066
Balance Available		\$239,800,473		\$ 21,824,355		\$ 1,423,000		\$ 1,067,934
6/8/2004			5	\$ 1,941,290	1	\$ 330,000	1	\$ 72,300
Running Total Approved			37	\$ 15,316,935	3	\$ 907,000	17	\$ 1,004,366
Balance Available		\$239,800,473		\$ 19,883,065		\$ 1,093,000		\$ 995,634

** Move \$1,000,000 from the Emergency Loan Program to the Planning Loan Program



Tab 5
Public Works
Trust Fund
(PWTF) Programs

Public Works Trust Fund
2005 Construction Cycle
Revised Alphabetical List of Applicants – June 8, 2004

Client Name	County	Client Type	East	Project Type	Project Name	Loan Amount
Annapolis Water District	Kitsap	W/S Dist	West	Water	Salmonberry Seismic Improve/Painting	\$340,000
Bainbridge Island	Kitsap	City	West	Storm	Street/Storm Waste Material Facility	\$782,000
Bainbridge Island	Kitsap	City	West	Sewer	WWTP Upgrade	\$4,503,300
Battle Ground	Clark	City	West	Sewer	Salmon Creek TP Phase 4 Expansion	\$10,000,000
Birch Bay Water/Sewer District	Whatcom	W/S Dist	West	Sewer	Birch Bay View Sanitary Sewer System	\$637,500
Blaine	Whatcom	City	West	Sewer	Lift Station #1/Marine Drive Headworks	\$5,080,000
Brewster	Okanogan	City	East	Sewer	WWTP Upgrade Phase II	\$2,160,000
Buckley	Pierce	City	West	Sewer	WWTP Upgrade	\$10,000,000
Carnation	King	City	West	Sewer	SS Collection System Basins A-J, N & O	\$4,374,700
Castle Rock	Cowlitz	City	West	Sewer	Phase 3 WWTP Improvements	\$655,000
Chinook Water District	Pacific	W/S Dist	West	Water	New Water Filter Plant	\$1,425,000
College Place	Walla Walla	City	East	Water	2005 Water System Improvement Project	\$2,975,000
Deer Park	Spokane	City	East	Water	Cedar Road Reservoir/System Improve.	\$1,738,939
Douglas County	Douglas	County	East	Storm	Canyon A Stormwater Improvements	\$2,835,600
Dupont	Pierce	City	West	Sewer	Historic Village SS Improvement II	\$1,985,600
East Wenatchee Water District	Douglas	W/S Dist	East	Water	Grant Road Transmission Main	\$490,875
Eatonville	Pierce	City	West	Water	1077/1124 Booster Pump Station	\$332,000
Eatonville	Pierce	City	West	Water	Installation Of Conventional Filtration Plant	\$807,500
Eatonville	Pierce	City	West	Water	Water Main Replacement	\$680,000
Edmonds	Snohomish	City	West	Sewer	2005 Sewer Lift Station Rehab/Elimination	\$1,216,903
Enumclaw	King	City	West	Sewer	WWTP Upgrade/Expansion	\$9,750,000
Ephrata	Grant	City	East	Sewer	Port Of Ephrata SS/Roadway Improvement	\$289,000
Everett	Snohomish	City	West	Sewer	Everett Treatment Plant Upgrade	\$10,000,000
Everett	Snohomish	City	West	Water	Clearwell No. 2	\$8,500,000
Everett	Snohomish	City	West	Water	Transmission #3 Replacement - Phase VII	\$3,035,350
Freeland Water District	Island	W/S Dist	West	Water	2005 Source/Storage Improvements	\$347,677
Gig Harbor	Pierce	City	West	Sewer	Wastewater Treatment Plant Improvements	\$9,000,000
Goldendale	Klickitat	City	East	Road	East Collins Drive Reconstruction Project	\$727,316
Highland Water District	Snohomish	W/S Dist	West	Water	Reservoir No. 2	\$573,750
Ilwaco	Pacific	City	West	Sewer	Phase 2 Infiltration/Inflow Sewer System	\$774,000
Jefferson County PUD1	Jefferson	PUD	West	Sewer	Beckett Point Large On-Site Sewage System (Loss)	\$938,924
Jefferson County PUD 1	Jefferson	PUD	West	Water	Marrowstone Island Water System	\$2,000,000
Kennewick	Benton	City	East	Water	Advanced Water Treatment & Ranney Well Water Source	\$10,000,000
King County Water District 111	King	W/S Dist	West	Water	Iron/Manganese Filtration System	\$1,255,428
King County Water District 119	King	W/S Dist	West	Water	Duval-Big Rock Road Tap/Transmission	\$636,300
King County Water District 119	King	W/S Dist	West	Water	Water Meter Replacement	\$378,000
King County Water District 125	King	W/S Dist	West	Water	Zone 2 Source And Watermain Improvement	\$1,088,850
King County Water District 54	King	W/S Dist	West	Water	Des Moines Creek Bridge Project	\$250,000
Lake Forest Park	King	City	West	Sewer	Sanitary Sewer Extension	\$4,656,000
Lakewood	Pierce	City	West	Sewer	American Lk Gardens/Tillicum Sewer Exten	\$6,000,000
Leavenworth	Chelan	City	East	Water	2005 Water System Improvements	\$1,400,000
Lott	Thurston	W/S Dist	West	Sewer	Budd Inlet TP Secondary Clarifier Upgrades	\$4,290,970

Client Name	County	Client Type	East	Project Type	Project Name	Loan Amount
Malaga Water District	Chelan	W/S Dist	East	Water	Crown Reservoir	\$161,500
Manchester Water District	Kitsap	W/S Dist	West	Water	Water System Improvements	\$970,870
Mason County PUD 1	Mason	PUD	West	Water	Twanoh Heights Source Rehab	\$182,000
Mason County PUD 1	Mason	PUD	West	Water	Arcadia Estates Source Improvements/Rehab	\$101,000
Mason County PUD 1	Mason	PUD	West	Water	Madrona Beach Source/Supply Improve.	\$180,000
Mason County PUD 1	Mason	PUD	West	Water	Canal Beach Tracts/Glen Ayr Sys Intertie	\$180,750
Mason County PUD 1	Mason	PUD	West	Water	Minerva Terrace Mutual Source Supply	\$229,000
Monroe	Snohomish	City	West	Water	Reservoir #5	\$2,496,478
Montesano	Grays Harbor	City	West	Water	Water Storage Tank & Transmission Mains	\$1,360,000
Montesano	Grays Harbor	City	West	Water	Beacon Ave/Roup Road Water System Loop	\$103,785
Northeast Sammamish S/W District	King	W/S Dist	West	Water	Wells 3 & 4 Treatment Plan And Storage	\$3,579,180
Northshore Utility District	King	W/S Dist	West	Sewer	134/108 Sewer Extension/Schedule B/Water Main Replacement	\$892,004
Northshore Utility District	King	W/S Dist	West	Sewer	134/108 Schedule A Sewer Extension (C662)	\$228,578
Northshore Utility District	King	W/S Dist	West	Sewer	124/80 Sew Extension/Water Main Replace	\$814,634
Northshore Utility District	King	W/S Dist	West	Sewer	112/78 Sew Extension/Water Main Replace	\$113,334
Oak Harbor	Island	City	West	Water	SR 20 Water Transmission Main Replace	\$834,700
Olympia	Thurston	City	West	Water	Woodland Park Utility Assoc Acquisition/Rehab	\$184,625
Orchard Avenue Irr Dist No.6	Spokane	Irr Dist	East	Water	Water Main Replacement	\$1,066,800
Pacific	King	City	West	Water	Ellingson Road Water Main Replacement	\$1,041,000
Pacific	King	City	West	Water	Stewart Road Water Main Replacement	\$971,000
Pierce County	Pierce	County	West	Road	Canyon Road E/ 176th Street E Intersection	\$10,000,000
Pullman	Whitman	City	East	Sewer	Digester Construction Project	\$1,921,200
Pullman	Whitman	City	East	Water	Water Well No 8	\$850,000
Ridgefield	Clark	City	West	Sewer	Gee Creek Trunk Sewer T7	\$1,718,000
Ritzville	Adams	City	East	Water	Well No 9 Development	\$845,000
Ronald Wastewater District	King	W/S Dist	West	Sewer	Unsewered Areas Sewer Extensions	\$1,021,700
Samish Water District	Whatcom	W/S Dist	West	Sewer	Pump Station/Sewer Sys Phase 2	\$1,083,000
Seattle	King	City	West	Storm	So. Park Flood Control/Local Drainage Prog	\$3,400,000
Seattle	King	City	West	Storm	Taylor Creek Fish Barrier Removal	\$450,500
Seattle	King	City	West	Storm	10718 35th Avenue NE Sediment Pond	\$1,832,600
Skagit County PUD 1	Skagit	PUD	West	Sewer	Similk Beach Sewer System	\$1,123,000
Skyway Water/Sewer District	King	W/S Dist	West	Water	84th Ave South Water Supply Main Replace	\$965,005
Spokane	Spokane	City	East	Water	NE Transmission Main Relay Phase 1	\$3,453,975
Spokane	Spokane	City	East	Water	Strong Rd Tank #2/Accompanying BS	\$2,232,950
Spokane County	Spokane	County	East	Road	Bigelow Gulch/Forker Road	\$10,000,000
Stanwood	Snohomish	City	West	Water	Cedarhome Reservoir	\$2,611,620
Stevens County	Stevens	County	East	SW	Stevens County Landfill Expansion	\$2,600,000
Sun Harbor Water District #3	Walla Walla	W/S Dist	East	Water	Water Treatment & Distribution System	\$922,925
Union Gap	Yakima	City	East	Sewer	2005 Sewer System Improvements	\$552,429
University Place	Pierce	City	West	Road	74th Ave Improvements From 35 th -40th St	\$2,376,000
Washougal	Clark	City	West	Sewer	2005 WWTP Improvements	\$795,000
West Richland	Benton	City	East	Sewer	North WWTP Expansion	\$5,655,050
Whitworth Water District 2	Spokane	W/S Dist	East	Water	North Colbert Improvements	\$2,502,300
Yakima	Yakima	City	East	Sewer	River Road Sewer Improvement Project	\$2,500,000

\$206,014,974

Client Name	County	Client Type	East	Project Type	Project Name	Loan Amount
WITHDRAWN						
Clark Public Utilities	Clark	PUD	West	Water	Clark Public Utilities Water System Improvements	\$3,289,865
PRE-CONSTRUCTION APPLICATION						
East Gig Harbor Water District	Pierce	W/S Dist	West	Water	Harbor Springs Water System Acquisition	\$4,505,000

Tab 6
Drinking Water
State Revolving
Fund (DWSRF)
Programs

DISCUSSION ITEM

Tab 7

Water Acquisition
and Rehabilitation
(WSARP) Programs

DISCUSSION ITEM

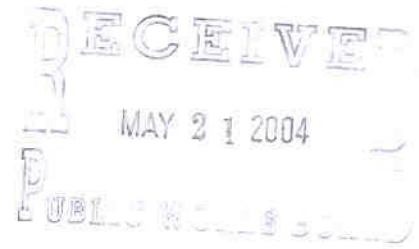
Tab 8

Information and Other Items



Pend Oreille County Public Utility District

Administrative Offices - P.O. Box 190 • Newport, WA 99156 • (509) 447-3137 • FAX (509) 447-5824
Box Canyon Hydro Project - P.O. Box 547 • Ione, WA 99139 • (509) 446-3137 • FAX (509) 447-6790



May 17, 2004

Glenn Olson, Chairman
Public Works Board
State of Washington
P.O. Box 48319
Olympia, Washington 98504-8319

Dear Chairman Olson:

Congratulations on the Board's 20th year helping towns, cities, and special purpose districts, such as ours, solve numerous problems with water systems, roads, and other infrastructure within the State of Washington.

At your upcoming retreat in Yakima, it is our understanding that you, the Board and staff are reviewing the policies and practices of the past 20 years and are making planning efforts for the next twenty. We at the District are pleased with your efforts to help the pressing infrastructure needs in the State of Washington. Our utility has benefited directly from your funds for several of our drinking water systems.

It is our understanding that there is an existing need totaling 3-4 billion dollars in the State of Washington for present-day improvements to water, sewer, roads, bridges, and also land fills. It is our further understanding that other agencies and individuals are seeking access to the Trust Fund to pay for other needs, such as jails and parks, within the state. We respectfully request that the Trust Fund is not opened to any new types of projects unless they are able to bring additional dollars to the table.

Sincerely,

A handwritten signature in black ink that reads "Robert Geddes".

Robert Geddes
General Manager

RG/rn

c Board of Commissioners